

THE ECONOMY OF INDO-CHINA

The Dutch East Indies are good clients of Indo-China's, especially since Robin's 1935 treaty. The rapid increase in the Javanese population is somewhat offset by the government's recent encouragement of rice-growing on the islands: at one time it was forbidden to import rice into Java.

The European market takes about one-fifth of the world rice output. The Burmese have captured the two most important Western clients—England and Germany, as well as the Netherlands. France and her African colonies are the only possible clients left for Indo-China, 1935-36 was so exceptional a year that France's rice imports from the colony almost doubled. But even here there are two obstacles. The most serious is the opposition of France's wheat-growers, who almost succeeded in limiting rice imports from the colony. The other drawback could be more easily overcome, since it is based on the inferior quality of Indo-Chinese rice. The French prefer a better grade of rice, so that when they buy their colony's rice it is solely because it is cheaper. China is a far better client, for she is concerned exclusively with the nutritive value of rice and not with its appearance, and in addition the freight charges are much lighter. Depending as she does at present almost exclusively on rice exports for her prosperity, Indo-China is indissolubly linked to Far Eastern markets, and in particular to that of China and its silver currency. It is a curious fact, in view of this situation, that the amount of rice available for exportation has only slightly increased, despite the new hydraulic works and the ever-larger amount of land devoted to rice-growing. This is partly due to the fact that rice exportation has grown much faster than the surface cultivated, and the same

may be said of the 12 per cent population increase in the last fifteen years. Even the depression has caused a shrinkage of only *iz* *per* cent in the amount of rice-land under cultivation from 1930 to 1933.

Indo-China's rice-growers and merchants in their methods have lagged well behind the international market. Up to the War it may be said that they made almost no effort to better the quantity and the quality of their rice, nor to remedy its lack of homogeneity by Improved methods of seed selection or classification. The War brought up the problem acutely enough for a specialized service to be created, so as to select and propagate the finest varieties of rice. Insufficient fertilization and primitive methods of cultivation had resulted in the smallest yield per hectare of any country on the Pacific. Capital is available to the Indo-Chinese farmer only at usurious rates. There are, in addition, fixed rates of inundation or inadequate irrigation—aU of whldi mates tite